

**WOONONA BOWLING &
RECREATION CLUB LIMITED**

ACN: 001 072 073

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2008**

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WOONONA BOWLING & RECREATION CLUB LIMITED

DIRECTORS' REPORT

The directors present their report together with the annual general purpose financial report of the Woonona Bowling & Recreation Club Limited for the year ended 30 June 2008 and the auditors' report thereon.

Directors

The directors of the company, at any time during or since the year, are:

Name	Position	Occupation	Appointed (Resigned)
T. Canvin	President	Retired	07/10/2001 (23/09/2007)
D. Willard	President	Consultant	03/02/2005
G. Bidulph	Director	Retired	25/09/2005 (23/09/2007)
C. Hunt	Director	Retired	25/09/2005
D. Langston	Director	Retired	08/10/2006 (23/09/2007)
B. Ayrton	Vice President	Retired	23/09/2007
V. Ryan	Treasurer	Retired	25/09/2005
M. Mangles	Director	Retired	08/10/2000 (23/09/2007)
G. O'Sullivan	Director	Consultant	08/10/2006 (23/09/2007)
A. Martin	Director	Retired	11/05/2004
J. Holz	Vice President	Retired	23/09/2007
K. Walker	Director	Retired	23/09/2007
K. Martin	Director	Retired	23/09/2007
N. Willis	Director	Retired	23/09/2007

Directors' Meetings

The following table sets out the number of meetings attended by each director and the number of meetings held while each director was eligible. During the year, 23 (2007: 24) board meetings were held.

Name	Meetings Attended	Meetings Held While Eligible
T. Canvin	6	6
D. Willard	21	23
G. Bidulph	6	6
C. Hunt	18	23
D. Langston	5	6
B. Ayrton	14	18
V. Ryan	21	23
M. Mangles	6	6
G. O'Sullivan	5	6
A. Martin	21	23
J. Holz	13	18
K. Walker	18	18
K. Martin	11	18
N. Willis	18	18

Principal Activities

The principal activities of the company during the course of the financial year were to promote and conduct the game of bowls and to provide facilities for this and any other outdoor and indoor lawful sporting games.

During the year there were no significant changes in the nature of these activities.

WOONONA BOWLING & RECREATION CLUB LIMITED**DIRECTORS' REPORT****Results**

The net profit of the company for year ended 30 June 2008 was \$7,451 (2006: \$71,877). No income tax expense was provided for in relation to the company in the current accounting period ended 30 June 2008 as the company is entitled to tax exempt status under the provisions of Section 50-10, Item 2.1 of the Income Tax Assessment Act (1997).

Dividends

No dividends have been paid or declared since the start of the period, and the directors do not recommend the payment of a dividend in respect of the period. As a not-for-profit company limited by guarantee, we are constrained by law, from declaring dividends to members.

Review of Operations

Another profitable year for the club, with bar sales increasing steadily. However, porker machine revenue has dropped considerably, and coupled with the increased depreciation expense associated with buildings and the purchase of new assets, the net profit of the club is significantly lower than that of last year.

State of Affairs

There have been no significant changes in the state of affairs of the company other than those referred to in the accounts and notes thereto.

Environmental Regulation

The company's operations are not subject to environmental regulations under either Commonwealth or State legislation.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as no significant changes are envisaged.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not party to any such proceedings during the year.

WOONONA BOWLING & RECREATION CLUB LIMITED

DIRECTORS' REPORT

Non-Audit Services

The board of directors is satisfied that the external auditors did not provide any non-audit services during the year. Therefore, consideration of the compatibility of the external auditors' services with the general standards of independence for auditors imposed by the *Corporations Act 2001* was not required. The directors are satisfied that any future non-audit services contemplated will not compromise the external auditors' independence for the following reasons:

- All non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in Section 290 of APES 110 – Code of Ethics for Professional Accountants.

Auditor's Independence Declaration

The lead auditor's independence declaration for the financial year ended 30 June 2008 has been received and can be found on page 5 of the directors' report.

Signed in accordance with a resolution of the directors:

.....
Director's Signature

.....
Director's Name

.....
Director's Signature

.....
Director's Name

Wollongong, 28th August, 2008

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WOONONA BOWLING & RECREATION CLUB LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Woonona Bowling & Recreation Club Limited.

As lead audit partner for the audit of the financial statements of Woonona Bowling & Recreation Club Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit,

.....
SHEPHERD MILLER
(Chartered Accountants)

.....
Raymond R. S. Shepherd F.C.A.
(Partner)

Wollongong, 28th August, 2008

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
WOONONA BOWLING & RECREATION CLUB LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Woonona Bowling & Recreation Club Limited, which comprises the balance sheet as at 30 June 2008 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Audit Opinion

In our opinion:

- (a) the financial report of Woonona Bowling & Recreation Club Limited is in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of the performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

.....
SHEPHERD MILLER
(Chartered Accountants)

.....
Raymond R. S. Shepherd F.C.A.
(Partner)

Wollongong, 28th August, 2008

Shepherd Miller liability is limited by a scheme approved under Professional Standards Legislation

WOONONA BOWLING & RECREATION CLUB LIMITED**DIRECTORS' DECLARATION**

In the opinion of the directors of Woonona Bowling & Recreation Club Limited:

- a) the financial statements and notes, set out on pages 8 to 26, are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the financial position of the company as at 30 June 2008 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

.....
Director's Signature

.....
Director's Name

.....
Director's Signature

.....
Director's Name

Wollongong, 28th August, 2008

WOONONA BOWLING & RECREATION CLUB LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Sales Revenue	2	749,924	706,569
Cost of Sales		<u>(351,281)</u>	<u>(334,255)</u>
Gross Profit		398,643	372,314
Other Revenue		<u>721,694</u>	<u>798,435</u>
		1,120,337	1,170,749
Bar Expenses		(196,466)	(196,648)
Poker Machine Expenses		(80,699)	(147,232)
Administration & General Expenses		<u>(835,721)</u>	<u>(754,992)</u>
Surplus/(Deficit) Before Income Tax	3	7,451	71,877
Income Tax (Expense)/Benefit	1(j)	-	-
Net Surplus/(Deficit) After Income Tax		<u>7,451</u>	<u>71,877</u>

The income statement is to be read in conjunction
with the notes to the financial statements set out on pages 12 to 26.

WOONONA BOWLING & RECREATION CLUB LIMITED
BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
Current Assets			
Cash and Cash Equivalents	4	306,751	350,821
Receivables	5	1,644	1,000
Inventories	6	29,470	26,134
Financial Assets	7	106,829	100,000
Other Current Assets	8	13,898	26,205
Total Current Assets		<u>458,592</u>	<u>504,160</u>
Non-Current Assets			
Property, Plant and Equipment	9	2,625,758	1,016,758
Total Non-Current Assets		<u>2,625,758</u>	<u>1,016,758</u>
Total Assets		<u>3,084,350</u>	<u>1,520,918</u>
Current Liabilities			
Payables	10	74,940	86,857
Borrowings	11	25,175	25,368
Provisions	12	38,213	37,804
Other Current Liabilities	13	11,354	10,608
Total Current Liabilities		<u>149,682</u>	<u>160,637</u>
Non-Current Liabilities			
Borrowings	11	25,333	44,751
Provisions	12	3,120	3,107
Total Non-Current Liabilities		<u>28,453</u>	<u>47,858</u>
Total Liabilities		<u>178,135</u>	<u>208,495</u>
Net Assets		<u>2,906,215</u>	<u>1,312,423</u>
Equity			
Retained Surplus		1,319,874	1,312,423
Asset Revaluation Reserve	14	1,586,341	-
Total Equity	15	<u>2,906,215</u>	<u>1,312,423</u>

The balance sheet is to be read in conjunction with
the notes to the financial statements set out on pages 12 to 26.

WOONONA BOWLING & RECREATION CLUB LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Retained Surplus \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2006		1,240,546	-	1,240,546
Transfers to and from Asset Revaluation Reserve Surplus Attributable to Members	14	71,877	-	71,877
Balance at 30 June 2007		1,312,423	-	1,312,423
Transfers to and from Asset Revaluation Reserve Surplus Attributable to Members	14	7,451	1,586,341	1,586,341
Balance at 30 June 2008		1,319,874	1,586,341	2,906,215

The statement of changes in equity is to be read in conjunction with
the notes to the financial statements set out on pages 12 to 26.

WOONONA BOWLING & RECREATION CLUB LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Cash Flows From Operating Activities			
Receipts from Customers		1,501,031	1,540,666
Payments to Suppliers and Employees		(1,430,286)	(1,378,991)
Interest Received		22,017	24,044
Interest Paid		(5,564)	(5,586)
Net Cash Provided/(Used) in Operating Activities	19(c)	<u>87,198</u>	<u>180,133</u>
Cash Flows From Investing Activities			
Payment for Property, Plant and Equipment		(105,663)	(231,816)
Interest Bearing Deposits Increase		(6,829)	14,805
Proceeds from Disposal of Property, Plant and Equipment		835	-
Net Cash Provided/(Used) in Investing Activities		<u>(111,657)</u>	<u>(217,011)</u>
Cash Flows From Financing Activities			
Proceeds from Borrowing		6,156	5,586
Repayment of Borrowings		(25,767)	(25,368)
Net Cash Provided/(Used) in Financing Activities		<u>(19,611)</u>	<u>(19,782)</u>
Net Increase/(Decrease) in Cash Held		<u>(44,070)</u>	<u>(56,660)</u>
Cash at the Beginning of the Year		<u>350,821</u>	<u>407,481</u>
Cash at the End of the Year	19(a)	<u><u>306,751</u></u>	<u><u>350,821</u></u>

The cash flow statement is to be read in conjunction with
the notes to the financial statements set out on pages 12 to 26.

WOONONA BOWLING & RECREATION CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 1: Statement of Significant Accounting Policies

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial statements and notes of the company comply with International Financial Reporting Standards.

The financial report is for Woonona Bowling & Recreation Club Limited as an individual entity, incorporated and domiciled in Australia. Woonona Bowling & Recreation Club Limited is a company limited by guarantee.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value of accounting has been adopted.

Accounting Estimates & Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation of the financial report:

(a) Accounts Payable

Other creditors are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. Other creditors are normally settled in 30 days.

(b) Acquisition of Assets

Assets are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

WOONONA BOWLING & RECREATION CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 1: Statement of Significant Accounting Policies (Cont.)

(c) Cash

For the purpose of the statement of cash flows, cash includes cash on hand, at call and term deposits maturing within 14 days with banks and financial institutions, net of bank overdrafts.

(d) Comparative Figures

Where required by Australian Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(e) Depreciation and Amortisation

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on valuations by independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and equipment are measured on the cost basis.

Items of plant and equipment, including leasehold property, are depreciated/amortised using the reducing balance method over their estimated useful lives. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the reducing balance method. The estimated useful lives for each class of asset, for the current and previous years, are as follows:

Plant & Equipment	3-20 years
Buildings	40 years

Assets are depreciated or amortised from the date of acquisition.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by the employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

Liabilities for long service leave are measured at the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to the reporting date. Interest rates attaching, as at the reporting date, to Commonwealth Government Guaranteed Securities are used to discount the estimated future cash flows to their present value.

WOONONA BOWLING & RECREATION CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 1: Statement of Significant Accounting Policies (Cont.)

(g) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

WOONONA BOWLING & RECREATION CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 1: Statement of Significant Accounting Policies (Cont.)

(i) Impairment of Assets

At each reporting date, the company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(j) Income Tax

No income tax expense was provided for as the company is entitled to tax exempt status under the provisions of Section 50-10, Item 2.1 of the *Income Tax Assessment Act (1997)*.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis and include an appropriate portion of fixed and variable overhead expenses.

(l) Leased Assets

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a reducing balance basis over the estimated useful lives, where it is likely that the economic entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(m) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Receivables

Sundry debtors are recorded at amounts due less any provision for doubtful debts.

(o) Revenue Recognition

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

WOONONA BOWLING & RECREATION CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Note 2: Revenue		
Continuing Operations		
Sales	749,924	706,569
Poker Machine Revenue	476,146	588,344
Members Subscriptions	13,977	13,676
Commissions	58,170	60,785
Greens Income	5,518	-
Raffles - Gross	89,480	82,653
Rent - Cottage	8,100	7,800
Interest Received	22,441	24,067
Sundry Income	47,862	21,110
Total Revenue	<u>1,471,618</u>	<u>1,505,004</u>
Note 3: Surplus/(Deficit) for the Year		
Surplus/(Deficit) for the year includes the following expenses:		
Depreciation - Plant & Equipment	71,925	56,553
Movement in Provisions		
Long Service Leave	1,542	(3,442)
Annual & Sick Leave	(1,120)	2,962
	<u>422</u>	<u>(480)</u>
Operating Lease Rental Payments	8,486	21,294
Remuneration of Auditors		
Auditing the Financial Report	6,370	7,540
Other Services - Accountancy	6,880	9,072
	<u>13,250</u>	<u>16,612</u>
Note 4: Cash and Cash Equivalents		
Cash on Hand	46,181	43,277
Cash at Bank		
Keno Account	51,431	38,355
Poker Machine Upgrade Account	44,420	33,223
Working Account	122,432	202,109
Long Service Leave Account	42,282	33,852
IMB Challenge Account	5	5
	<u>306,751</u>	<u>350,821</u>
Reconciliation of Cash		
Cash at the end of the year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and Cash Equivalents	<u>306,751</u>	<u>350,821</u>

WOONONA BOWLING & RECREATION CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Note 5: Receivables		
Interest Receivable on Term Deposit	1,704	1,280
ATM Clearing Account	(60)	(280)
	<u>1,644</u>	<u>1,000</u>
Note 6: Inventories		
Bar Stock Held for Resale - at Cost	29,470	25,804
Trophies - at Cost	-	330
	<u>29,470</u>	<u>26,134</u>
Note 7: Financial Assets		
Held-to-Maturity Investments		
IMB Term Deposit	106,829	<u>100,000</u>
Note 8: Other Current Assets		
Sundry Debtors	638	-
Prepayments	13,260	26,205
	<u>13,898</u>	<u>26,205</u>
Note 9: Property, Plant & Equipment		
Land & Buildings - at Cost	735,847	735,356
Land & House - at Cost	57,811	57,811
Land, Buildings & House - at Director's Valuation 01/07/07	1,586,341	-
Less: Provision for Depreciation	(6,375)	-
	<u>2,373,624</u>	<u>793,167</u>
Plant & Equipment - at Cost	712,669	610,522
Less: Provision for Depreciation	(460,535)	(386,931)
	<u>252,134</u>	<u>223,591</u>
Total Property, Plant & Equipment	<u>2,625,758</u>	<u>1,016,758</u>
Movement in Carrying Amounts Between the Beginning and End of the Year:		
Land & Buildings		
Carrying Amount at the Beginning of the Year	793,167	643,487
Additions - at Cost	491	149,680
Revaluation Increments	1,586,341	-
Depreciation Expense	(6,375)	-
Carrying Amount at the End of the Year	<u>2,373,624</u>	<u>793,167</u>

WOONONA BOWLING & RECREATION CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Note 9: Property, Plant & Equipment (Cont.)		
Plant & Equipment		
Carrying Amount at the Beginning of the Year	223,591	233,673
Additions - at Cost	105,172	82,136
Disposals - at WDV	(1,269)	(23,402)
Depreciation Expense	(75,360)	(68,816)
Carrying Amount at the End of the Year	<u>252,134</u>	<u>223,591</u>
Note 10: Payables		
Trade Creditors	21,630	16,257
Accrued Expenses	18,242	41,506
GST Clearing Account	11,398	8,468
MV Contributions Clearing Account	19,088	10,972
Wages Clearing Account	4,582	9,654
	<u>74,940</u>	<u>86,857</u>
Note 11: Borrowings		
Current		
Hire Purchase Liability	6,581	6,635
Lease Liability	18,594	18,733
	<u>25,175</u>	<u>25,368</u>
Non-Current		
Hire Purchase Liability	19,781	24,028
Less: Due Within 12 Months	(6,581)	(6,635)
	<u>13,200</u>	<u>17,393</u>
Lease Liability	30,727	46,091
Less: Due Within 12 Months	(18,594)	(18,733)
	<u>12,133</u>	<u>27,358</u>
	<u>25,333</u>	<u>44,751</u>
Note 12: Provisions		
Current		
Provision for Annual Leave		
Opening Balance at the Beginning of the Year	27,180	24,218
Additional Provisions	5,130	2,962
Unused Amounts Reversed	(6,250)	-
Closing Balance at the End of the Year	<u>26,060</u>	<u>27,180</u>

WOONONA BOWLING & RECREATION CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Note 12: Provisions (Cont.)		
Current (Cont.)		
Provision for Long Service Leave		
Opening Balance at the Beginning of the Year	10,624	14,528
Additional Provisions	1,529	1,627
Unused Amounts Reversed	-	(5,531)
Closing Balance at the End of the Year	12,153	10,624
Total Current Provisions	38,213	37,804
Non-Current		
Provision for Long Service Leave		
Opening Balance at the Beginning of the Year	3,107	2,645
Additional Provisions	13	462
Unused Amounts Reversed	-	-
Closing Balance at the End of the Year	3,120	3,107
Total Non-Current Provisions	3,120	3,107
Aggregate Employee Benefits Liability	41,333	40,911
Number of employees at year end: 10 (2007: 13)		

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historic data. The measurement and recognition criteria for employee benefits has been included in Note 1.

Note 13: Other Current Liabilities

Subscriptions in Advance	11,354	10,608
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Note 14: Reserves

Asset Revaluation Reserve	1,586,341	-
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The asset revaluation reserve is used to record increases in the fair value of buildings and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity.

**WOONONA BOWLING & RECREATION CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
Note 15: Members' Guarantee		
<p>The company is limited by guarantee. If the company is wound up, the Company Constitution states that each member is required to contribute a maximum of \$2.00 (2007: \$2.00) each towards meeting any outstanding obligations of the company. At 30 June 2008, the number of members was 1,250 (2007: 1300).</p>		
Note 16: Directors' Remunerations		
<p>Aggregate income received, or due and receivable, by directors of Woonona Bowling & Recreation Club Limited from the company and any related body corporate in connection with the management of the company and any related body corporate is as follows:</p>		
	<u>9,000</u>	<u>10,500</u>
<p>The number of directors of the company whose total remuneration from the company and any related body corporate fall within the following bands:</p>		
\$ 0 - \$9,999	No. 4	No. 4
Note 17: Key Management Personnel Compensation		
Salary and Fees	80,243	78,672
Superannuation	5,851	5,893
	<u>86,094</u>	<u>84,565</u>
Note 18: Leasing Commitments		
<p>Non-cancellable operating leases contracted for but not capitalised in the financial statements:</p>		
Payable		
- Not Later Than 1 Year	3,573	9,000
- Between 1 Year and 5 Years	3,573	7,200
- Later Than 5 Years	-	-
	<u>7,146</u>	<u>16,200</u>
<p>The home theatre lease is non-cancellable, with a 5 year term and instalments paid monthly in advance. It is management's intention that the lease is not to be renewed upon its expiration.</p>		
Note 19: Notes to the Cash Flow Statement		
(a) Reconciliation of Cash		
<p>For the purposes of the cash flow statement, cash includes cash on hand, cash at banks, investments in money market instruments. Cash at the end of the financial years as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:</p>		
Cash on Hand	46,181	43,277
Cash at Bank	260,570	307,544
	<u>306,751</u>	<u>350,821</u>

WOONONA BOWLING & RECREATION CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Note 19: Notes to the Cash Flow Statement (Cont.)		
(b) Non-Cash Financing and Investing Activities		
During the year, the company did not undertake any new non-cash activities.		
(c) Reconciliation of operating result to net cash flows from operating activities		
Operating Surplus/(Deficit) After Income Tax	7,451	71,877
Items Classified as Investing Activities		
(Profit)/Loss on Disposal of Fixed Assets	434	23,402
Adjustments for Non-Cash Items		
Depreciation	81,735	68,816
Changes in Net Assets and Liabilities		
(Increase)/Decrease in Inventories	(3,336)	(1,223)
(Increase)/Decrease in Sundry Debtors and Prepayments	11,663	(19,207)
Increase/(Decrease) in Provision for Employee Benefits	422	(480)
Increase/(Decrease) in Subscriptions in Advance	746	2,264
Increase/(Decrease) in Creditors and Accruals	(11,917)	34,684
Net Cash Inflow/(Outflow) from Operating Activities	87,198	180,133

WOONONA BOWLING CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 20: Financial Instruments

(a) Financial Risk Management

The company's principal financial instruments, other than derivatives, comprise deposits with banks, short-term investments, finance leases and hire purchase contracts

The main purpose of non-derivative financial instruments is to raise finance for the company's operations.

The company has various other financial instruments such as accounts payable and receivable, which arise directly from its operations.

The main risks arising from the company's financial instruments are reviewed by the board, which has established the following policies for their management.

(i) Treasury Risk Management

The directors of the company meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The company's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The company operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include the use of future cash flow requirements.

(ii) Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are liquidity risk, credit risk and price risk. As the company does not maintain interest-bearing debt, it is not significantly exposed to interest rate risk.

Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows. Currently, the company does not maintain unutilised borrowing facilities.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2008 (2007: Nil).

Credit risk is managed and reviewed regularly by the board of directors. It arises from exposures to customers as well as through certain derivative financial instruments and deposits with institutions.

WOONONA BOWLING CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 20: Financial Instruments (Cont.)

The board of directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties.

The credit risk for counterparties included in trade and other receivables at year end is detailed below:

	2008	2007
	\$	\$
Counter Parties Not Rated	27,205	15,542

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Price Risk

The company's exposure to commodity price risk is minimal.

WOONONA BOWLING & RECREATION CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 20: Financial Instruments (Cont.)

(b) Interest Rate Risk

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

Exposure to Interest Rate Risk as at 30 June 2008:

Financial Instrument	Weighted Average Interest Rate	Variable Interest Rate	Fixed Interest Rate		Non Interest Bearing	Total
			Less than 1 year	1 to 5 years		
Financial Assets						
Cash	6.15%	306,751				306,751
Short Term Deposits	8.20%		106,829			106,829
Receivables					15,542	15,542
		306,751	106,829	-	15,542	429,122
Financial Liabilities						
Payables					74,940	74,940
Borrowings	21.99%		25,175	25,333		50,508
		-	25,175	25,333	74,940	125,448

Exposure to Interest Rate Risk as at 30 June 2007:

Financial Instrument	Weighted Average Interest Rate	Variable Interest Rate	Fixed Interest Rate		Non Interest Bearing	Total
			Less than 1 year	1 to 5 years		
Financial Assets						
Cash	5.25%	350,821				350,821
Short Term Deposits	6.40%		100,000			100,000
Receivables					27,205	27,205
		350,821	100,000	-	27,205	478,026
Financial Liabilities						
Payables					86,857	86,857
Borrowings	21.99%		25,368	44,751		70,119
		-	25,368	44,751	86,857	156,976

(c) Net Fair Value

The carrying amount of cash, other debtors and other creditors approximates fair value as they are short-term in nature.

(d) Sensitivity Analysis

The company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results which could result from a change in these risks.

**WOONONA BOWLING & RECREATION CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

Note 20: Financial Instruments (Cont.)

At 30 June 2008, the effect on surplus and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2008	2007
	\$	\$
Surplus		
Increase in interest rate by 2%	8,272	9,016
Decrease in interest rate by 2%	(8,272)	(9,016)
Change in Equity		
Increase in interest rate by 2%	8,272	9,016
Decrease in interest rate by 2%	(8,272)	(9,016)

WOONONA BOWLING & RECREATION CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 21: Change in Accounting Policy

Australian Accounting Standards that are applicable to the company but not yet effective have not been adopted in the preparation of the financial statements at reporting date. The company is in the process of evaluating the nature and impact of changes that will result when these recently issued or amended standards become effective. All other pending standards issued between the previous financial report and the current reporting dates have no application to the company.

Note 22: Related Parties

(a) Key Management Personnel Compensation

Details of directors' and key management personnel remuneration are disclosed in Notes 16 and 17 respectively to the financial statements.

(b) Key Management Personnel Loans

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year-end.

(c) Other Transactions with Key Management Personnel

During the year, directors used the company's bowling and recreational facilities under the same terms and conditions as members.

Note 23: Contingent Liabilities and Assets

There are no other contingent liabilities or assets that the directors are aware of that may affect the financial position of the company in the future.

Note 24: Additional Company Information

The Woonona Bowling & Recreation Club Limited is a public company limited by guarantee, incorporated and operating in Australia.

Australian Business Number (ABN):	80 001 072 073
Principal Places of Business and Registered Offices:	Greta Street, Woonona, NSW, 2517

Note 25: Additional Information Required by the *Registered Clubs Act (NSW) 1976*

- (a) No employee is in receipt of a remuneration package in excess of \$100,000.
- (b) No director has a financial interest in a hotel.
- (c) The company has not provided any overseas trips to employees or directors.
- (d) The total amount of profits (within the meaning of *The Gaming Machine Act 2001*) during the financial year from the operations of approved gaming machines in the club was \$523,761 (2007: \$647,178) including GST.
- (e) The Community Development and Support paid under Part 4 of the *Gaming Machine Act 2001* during the financial year was nil (2007: Nil).

**WOONONA BOWLING & RECREATION CLUB LIMITED
YEAR ENDED 30 JUNE 2008**

Disclaimer of Opinion on Additional Unaudited Information for the Members:

Detailed Income & Expenditure Statement

The additional financial information presented on pages 28 to 31 is in accordance with the books and records of Woonona Bowling & Recreation Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2008. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

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SHEPHERD MILLER
(Chartered Accountants)

.....
Raymond R. S. Shepherd F.C.A.
(Partner)

WOONONA BOWLING & RECREATION CLUB LIMITED
ADDITIONAL UNAUDITED INFORMATION FOR THE MEMBERS
DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Income		
Gross Profit Trading	530,478	550,404
Commissions - Vending Machines	19,271	18,327
Donations and Fund Raising	1,520	1,510
Interest Received	22,441	24,067
Members' Subscriptions & Nominations	13,977	13,676
NPL Promotions Entry Fees	28,337	-
Rent Received - Cottage	8,100	7,800
Rent Received - Kitchen	825	2,420
Sundry Income	17,180	17,180
Total Income	642,129	635,384
Expenses		
Advertising & Promotion	17,593	16,711
Amortisation Expense	9,810	12,263
Annual Leave Provision increase/(decrease)	(1,120)	2,962
Auditors Remuneration - Fees	13,250	16,612
Bank Charges	184	665
Banking and Till Variances	-	8
Bowls Trophies, Travel etc	801	555
Capitation and Levies	-	2,140
Cleaning Supply & Trade Waste	14,378	11,932
Cleaners Wages	23,032	32,626
Computer Expenses	590	440
Contract Cleaners	9,350	-
Depreciation	38,781	22,092
Directors' Fees - Other	9,000	10,500
Donations	5,962	9,882
Electricity & Gas	55,865	25,708
Entertainment, Artists and Free Drinks	44,589	53,332
Functions & Catering	1,813	1,899
General, Honour Board etc	-	1,557
Insurance	17,186	15,934
Interest Paid	5,564	5,586
Legal Fees	1,187	-
Licences & Registrations	839	1,916
Loss on Disposal of Fixed Assets	434	23,402
Management Fees Paid	3,015	-
Men's Bowling Club Net GST Expense	534	(228)
Other Sporting Club Fees	(300)	-
Plant Rental	3,573	3,600
Printing & Stationery	10,813	10,445
Promotions	94,132	20,168
LSL Provision increase/(decrease)	1,542	(3,442)
Raffles - Badge Draw	2,850	6,200

The detailed income & expenditure statement is to be read in conjunction with the disclaimer set out on page 27.

WOONONA BOWLING & RECREATION CLUB LIMITED
ADDITIONAL UNAUDITED INFORMATION FOR THE MEMBERS
DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Expenses (Cont.)		
Raffles - Loss	2,015	10,827
Rates	28,075	25,012
Registration Fees	9,424	5,449
Rented Cottage Expenses	2,070	139
Repairs & Maintenance	16,235	11,738
Salaries	94,591	99,654
Security	29,903	22,118
Sponsorship	25,650	27,385
Staff Training	1,828	8,468
Subscriptions	3,441	4,494
Subsidised Meals	5,508	17,278
Sundry Expenses	168	829
Superannuation	10,277	9,756
Telephone	8,766	8,718
Tournament Expenses	628	-
Uniforms	1,346	758
Wages - Bowls Co-ordinator	6,477	-
Welfare, Wreaths etc	-	313
Women's Bowling Club Net GST Expense	(436)	36
Workers' Compensation Insurance	3,465	5,070
Total Expenses	<u>634,678</u>	<u>563,507</u>
Surplus/(Deficit)	<u>7,451</u>	<u>71,877</u>

The detailed income & expenditure statement is to be read in conjunction with the disclaimer set out on page 27.

WOONONA BOWLING & RECREATION CLUB LIMITED
ADDITIONAL UNAUDITED INFORMATION FOR THE MEMBERS
TRADING ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Bar Trading Account		
Sales	<u>749,924</u>	<u>706,569</u>
Less: Cost of Sales		
Opening Stock	25,804	24,581
Purchases	<u>354,947</u>	<u>335,478</u>
	380,751	360,059
Closing Stock	29,470	25,804
	<u>351,281</u>	<u>334,255</u>
	<u>398,643</u>	<u>372,314</u>
Direct Expenses		
Bar Wages	157,602	148,034
Bar Supplies & Coasters	14,860	18,209
Depreciation	1,421	818
Repairs & Maintenance	4,307	5,813
Replacement - Glasses, etc	-	-
Staff Superannuation	12,121	13,323
Trading Reports	2,200	2,640
Workers Compensation Insurance	<u>3,955</u>	<u>7,811</u>
	<u>196,466</u>	<u>196,648</u>
Gross Profit - Bar Trading	<u>202,177</u>	<u>175,666</u>
Poker Machines Trading Account		
Net Revenue	<u>476,146</u>	<u>588,344</u>
Direct Expenses		
Computer Reports	8,021	7,744
Depreciation	31,723	33,643
Plant Rental	4,913	17,694
Poker Machine Duty	11,364	44,772
Poker Machine Wages	13,650	25,797
Repairs & Maintenance	9,566	15,768
Superannuation	1,091	1,174
Workers Compensation Insurance	<u>371</u>	<u>640</u>
	<u>80,699</u>	<u>147,232</u>
Gross Profit - Poker Machines	<u>395,447</u>	<u>441,112</u>

The trading account is to be read in conjunction with the disclaimer set out on page 27.

WOONONA BOWLING & RECREATION CLUB LIMITED
ADDITIONAL UNAUDITED INFORMATION FOR THE MEMBERS
TRADING ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Keno Trading Account		
Commissions	<u>38,899</u>	<u>42,458</u>
Direct Expenses		
Keno Wages	9,041	10,180
Keno Costs	791	6,714
Superannuation	663	783
Workers Compensation Insurance	258	426
	<u>10,753</u>	<u>18,103</u>
Gross Profit - Keno	<u>28,146</u>	<u>24,355</u>
Greens Trading Account		
Net Revenue	<u>5,518</u>	<u>-</u>
Direct Expenses		
Greens Wages	65,878	66,419
Greens Maintenance	27,632	20,449
Superannuation	5,740	5,364
Workers Compensation Insurance	1,560	2,922
Workers Compensation Insurance Claims	-	(4,425)
	<u>100,810</u>	<u>90,729</u>
Gross Profit - Greens	<u>(95,292)</u>	<u>(90,729)</u>
Total Gross Profit	<u><u>530,478</u></u>	<u><u>550,404</u></u>

The trading account is to be read in conjunction with the disclaimer set out on page 27.